

# DAILY FOREX NEWSLETTER

Monday, 21st December 2020

## Local Markets:

The Kenyan Shilling was unchanged on Friday from previous session amid thin demand for hard currency from importers.

## Top News:

- Gold prices firmed on Monday as investors cheered news that a U.S. fiscal stimulus deal was likely to be passed, although gains were capped by a stronger dollar.
- Oil prices slid in early trade on Monday as a fast-spreading new coronavirus strain in the United Kingdom raised concerns that tighter restrictions there and in other European countries could stall a recovery in the global economy and its need for fuel.

## International Markets

**USD:** The dollar climbed against major peers on Monday with investors seeking its relative safety as many countries tightened Covid-19 lockdowns. The negative sentiment overshadowed a weekend deal among U.S. congressional leaders for a \$900 billion coronavirus aid package. The dollar's rebound comes after it sank to 2 1/2-year lows against major peers last week, driven by optimism that a widening vaccine rollout would revive global growth. Several European countries began closing their doors to travelers from the UK on Sunday amid alarm about a rapidly spreading strain of coronavirus.

**GBP:** GBP/USD holds lower ground below 1.3400, extends Friday's losses. EU-UK fails to solve the Brexit riddle, fisheries, level playing field become the latest hurdle. Canada follows Europe, Turkey to ban flights from the UK as new strain of coronavirus spreads. UK PM Johnson calls for special COBRA meeting, EU Chairman of the Foreign Affairs Committee hints extended talks in 2021. GBP/USD fades corrective recovery from the intraday low of 1.3336, currently down 1.0% intraday around 1.3360, while heading into Monday's London open.

**EUR:** EUR/USD hold lower ground amid stimulus hopes, risk-off mood. US policymakers up for conveying aid package details, stop-gap funding. Downside break of 50-HMA favor sellers to eye two-week-old support line. EUR/USD refreshes intraday low to 1.2205, down 0.33% intraday, during Monday's Asian session. In doing so, the quote extends losses after breaking 50-HMA support.

**INR:** The rupee appreciated by 3 paise to close at 73.56 (provisional) against the US dollar on Friday amid sustained foreign fund inflows and positive domestic equities. At the interbank forex market, the local unit opened at 73.55 against the greenback and witnessed an intra-day high of 73.49 and a low of 73.57.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
<b>USD/KES</b>	109.85	112.60			
<b>GBP/KES</b>	145.50	150.80	<b>GBP/USD</b>	1.3365	1.3530
<b>EUR/KES</b>	133.40	137.60	<b>EUR/USD</b>	1.2190	1.2245
<b>INR/KES</b>		1.5700	<b>AUD/USD</b>	0.7570	0.7590
			<b>USD/INR</b>	73.60	73.45
			<b>Commodities</b>		
			<b>Gold</b>	1908	1888
			<b>Brent Crude</b>	50.83	51.24

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.916%	6.901%
182 Days	7.399%	7.363%
364 Days	8.283%	8.246%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.